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## People economy key in development drive

### 2020 GOAL:

National prosperity is beyond looking at grand numbers

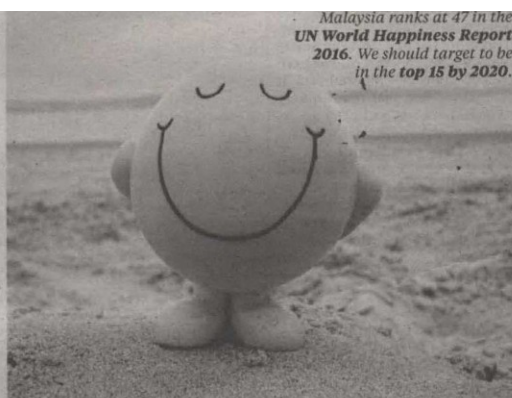
**T**HE Bank Negara Malaysia 2015 Annual Report is out. It gives a picture of what happened to the Malaysian economy last year and its prospect for this year. On balance, it seems that the economy has the solid fundamentals to weather ongoing external economic storms and has the momentum to achieve the high-income-nation target by 2020.

But, let us not forget that the story presented by the report is just one part of the economy — the capital economy. The other part — the people economy — is the final test on whether the government has succeeded in transforming the economy into a high-income and developed nation, and eventually, gives the true meaning of an advanced

and prosperous economy. Clearly, this is beyond just looking at grand numbers in economics, such as the gross domestic product (GDP) and other figures highlighted in the report.

When we talk about the people economy, it is basically referring to the attainment of happiness, the wellbeing of the people at large. How are we going to measure the subjectivity of happiness and wellbeing as primary indicators to better reflect the quality of human development?

Malaysia ranks at 47 in the **UN World Happiness Report 2016**. We should target to be in the **top 15 by 2020**.



Denmark is the happiest place on Earth, followed by Switzerland and Iceland, whereas Burundi, Syria and Togo are at the bottom of the ranking. Malaysia ranks at 47. This is an improvement from the previous report, where the nation was ranked at 61, a significant jump of 14 spots. But, what is our target for 2020?

To move forward, we should seriously look into the World Happiness Report and be committed to it. Perhaps, we should target to be in the top 15 by 2020.

The other measure of human progress is the human development index (HDI). It measures a country's development by three aspects: longevity, knowledge and the standard of living. Compared with last year's report, Malaysia's position is unchanged at 62 of the 187 countries studied.

Although Malaysia is in the "high human development" category, more needs to be done regarding this ranking. Again, I believe we should focus more on this category. Where would we rank in 2020?

Take Brunei as an example. Under the World Bank's definition, Brunei is a high-income country, that is, its gross national income per capita has surpassed US\$15,000 (RM60,500).

But in 2008, the Brunei government introduced a long-term development

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### Need to improve, not just prove or disprove, things for the better

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opment framework, known as Vision 2035, to propel the country to a higher level of development. One of the aims is enhancing the quality of life, where the target is for the country to be in the top 10 in the HDI ranking, as it is currently at the 31st

spot. Malaysia should do the same.

The point here is that becoming a high-income country is the first step to becoming a fully developed nation. In fact, the top 10 countries in the UN World Happiness Report are high-income ones. The New Economic Model (NEM) is a clear path for Malaysia to attain a high quality

of life for its people and to fully transform the economy into a high-income, developed nation via three goals: high income, inclusiveness and sustainability.

The 10th Malaysia Plan (10MP) has addressed the first goal of NEM, which is the basic and fundamental part of the creation of an advanced

economy, whereas 11MP will address the other two challenging parts of the NEM goals. In fact, the theme of 11MP — anchoring the growth of the people — expresses the government's strong commitment to the people economy.

The plan just began this year. All Malaysians must play their part.

What is needed now is not just to prove or disprove, but more importantly, to improve things for the better by 2020.

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